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**FISCAL IMPACT STATEMENT**

**LS 7458**

**BILL NUMBER:** HB 1368

**NOTE PREPARED:** Feb 19, 2013

**BILL AMENDED:** Feb 18, 2013

**SUBJECT:** Automated Traffic Enforcement Safety Devices.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- (1) Authorizes a county, city, or town to adopt and enforce an ordinance that regulates the placement and use of automated traffic enforcement safety devices to detect certain traffic offenses.
- (2) Authorizes the Department of Transportation and the Indiana Finance Authority to use devices for the detection of violations of highway work zone speed limits.
- (3) Authorizes a school corporation to contract with an agent to use devices for detection of school bus stop arm violations.
- (4) Provides for civil penalties for offenses and violations.
- (5) Specifies that the civil penalty must be applied first to defray the cost of the installation, operation, and maintenance of the devices, and specifies the manner in which the remaining funds are distributed.
- (6) Prohibits the:
  - (A) reporting of offenses and violations on a driving record;
  - (B) use of offenses and violations to determine rates for motor vehicle insurance; and
  - (C) assessment of points under the point system by the Bureau of Motor Vehicles (BMV) for offenses and violations.
- (7) Requires notification to the BMV if offenses and violations have not been paid timely.
- (8) Requires the BMV to suspend the registration of a vehicle and deny the transfer of the title of the vehicle when the offenses and violations have not been paid.
- (9) Makes other changes and conforming amendments and repeals and replaces the definition of local law enforcement agency.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** This bill could increase BMV expenditures to suspend registrations and provide notifications to individuals who fail to pay violations for speeding in school and worksite zones and for illegally passing a school bus. However, to the extent the BMV contracts out the notification requirement to a third-party vendor, increases in expenditures could be minimized.

This bill could also increase the workload of the Indiana State Department of Health (ISDH) to administer the Trauma Care Fund created in the bill. Administration of the fund falls within the routine administrative function of the ISDH and is expected to be absorbed with current staff and resource levels.

**Explanation of State Revenues:** *Summary:* This bill could increase state revenue received from penalties assessed against individuals who are caught (1) speeding in school and worksite zones by automated traffic enforcement devices and (2) illegally passing a school bus by school bus cameras. If there were 3,000 additional enforcements of these provisions, the estimated increase in state revenue could be \$582,000 annually.

Revenue collected from these enforcement actions would be designated for the following: the Trauma Care Fund (created by the bill), the Indiana Department of Transportation, the Motor Vehicle Highway Account (MVHA), revenue from Highway Workzone fees, and the Regional Public Safety Training Fund (under the purview of the Indiana Department of Homeland Security).

The Trauma Care Fund is to provide funding to Level 1 and Level 2 trauma care hospitals in the state. Funding for the Trauma Care Fund consists of 20% to 30% of the civil penalties collected from violations that result from the enforcement of automated traffic control devices and school bus cameras.

**Additional Information:**

For FY 2012, there was a total of 154,729 citations issued for speeding (including work zone speeding violations) and 451 citations issued for illegally passing a school bus. The number of speeding citations issued for violations in school zones is not known.

Currently, the penalty for violating traffic control laws is a Class C infraction, with a maximum judgment of \$500. Additionally, the penalty for illegally passing a school bus is a Class A infraction, with a maximum judgment of \$10,000. Revenue collected from Class C and Class A infractions are deposited in the state General Fund.

Under the bill, civil penalties for illegally passing a school bus and speeding in a school zone can be no more than \$250, whereas the civil penalties for the first violation of a temporary worksite zone speed limit established by local ordinance are a minimum of \$300 and a minimum of \$500 for every violation thereafter. This bill also specifies that local government units that adopt ordinances regarding intersection safety system take precedent over state penalties for moving violations.

To the extent automatic traffic enforcement devices and school bus cameras increase the number of convictions for traffic violations and illegally passing a school bus in the state, revenue will increase. To the extent these devices catch offenders who otherwise would have been caught by a member of law enforcement (where the General Fund received 100% of revenue collected from fines), state revenue could decrease. However, it is

expected this bill will have the overall effect of increasing enforcement actions and penalty revenue in the state.

Disbursement of revenue collected from penalties by offense type is listed below.

Recipient	School Zone Enforcement	Worksite Zone Enforcement	Illegally Passing School Bus Enforcement
Trauma Hospital Care Fund	30%	20%	30%
MVHA		20%	
Highway Workzone Fee		10%	
INDOT		10%	
Regional Public Safety Training Fund	10%		10%

If the use of automated traffic control devices and school bus cameras results in an additional 3,000 enforcements for speeding in a school and worksite zone and illegally passing a school bus, this bill could increase penalty revenue by approximately \$852,000 annually. Of this amount, the state could receive approximately \$582,000 annually.

*Trauma Care Hospital Fund:* The bill establishes the Trauma Care Hospital Fund to provide funding to Level 1 and Level 2 trauma care hospitals in the state. Money in the fund is nonreverting and continually appropriated. The Indiana State Department of Health is required to administer the fund and provide payments to hospitals with trauma care centers in the state. To this extent, the workload of the ISDH will increase; however, increases are expected to be absorbed using current staff and resources.

**Explanation of Local Expenditures:** This bill allows (1) local units of government to use automated traffic enforcement devices in school and worksite zones and (2) schools to use school bus cameras. The bill also establishes regulations for the use of automated traffic enforcement devices and school bus cameras.

This bill could increase the workload and expenses of local government units and local school corporations to use these devices (specifically staffing costs, costs of equipment, mailing costs, and court workload to the extent charged violators request court hearings). The cost of operating the intersection safety system is expected to be provided by civil fees assessed from violators or through a revenue-sharing agreement between a local government or school corporation and a contracted entity.

(Revised) Additionally, the bill could increase local court workload to the extent individuals contest violations issued from the use of automated traffic control devices. Increases in court workload are indeterminable.

**Explanation of Local Revenues:** *Summary:* This bill could increase local revenue received from penalties assessed against individuals who are caught (1) speeding in school and worksite zones by automated traffic enforcement devices and (2) illegally passing a school bus by school bus cameras. If there were 3,000 additional enforcements of these provisions, the estimated increase in local revenue could be \$270,000 annually.

Revenue collected from these enforcement actions would be designated for the following: (1) the local general

fund of the jurisdiction in which the citation was issued and (2) the county or local law enforcement continuing education fund (depending on if a local or county law enforcement agency issues the citation).

**Additional Information:**

Local governments could receive revenue from the civil penalties collected from convictions of speeding in school zones, speeding in worksite zones, and illegally passing a school bus. Currently, local government units do not receive revenue from moving violation penalties (except for court costs paid by violators who request court hearings).

Disbursement of revenue collected from penalties by offense type is listed below.

<b>Recipient</b>	<b>School Zone Enforcement</b>	<b>Worksite Zone Enforcement</b>	<b>Illegally Passing School Bus Enforcement</b>
Local General Fund	40%	40%	40%
County/Local Law Enforcement Continuing Education Fund	10% or 20% depending on who issues the citation		10% or 20% depending on who issues the citation

The bill also specifies that individuals who are found to have illegally passed a school bus under an enforcement agreement are not subject to additional court costs, but a court is allowed to deduct costs from the prescribed civil penalties. To the extent enforcement for illegally passing school busses increases in the state and a court deducts costs from civil penalties, courts could receive additional revenue.

**State Agencies Affected:** BMV; IDOT; ISDH.

**Local Agencies Affected:** All.

**Information Sources:** Mark Goodrich, BMV.

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